

# 98 - Technical Institute - Follow-up

Wednesday, February 24, 2016  
8:07 PM



## **South Dakota Technical Institutes**

### **Responses to Questions from the Joint Committee on Appropriations**

February 18, 2016

#### **The following questions were asked of the technical institutes:**

1. Of the more than 6,300 students enrolled in the technical institutes in 2015-16, how many of those are dual credit students?
2. What is the state's investment, per technical institute, per FTE?
3. What has the breakdown of state tuition and fees been, by fiscal year, over time?
4. How many programs have been downsized or eliminated in the last three years?
5. What is the contribution of state, local and student funds in each state to fund 2-year public colleges?

#### **Responses to these questions can be found in the following pages:**

##### Question 1: Dual Credit Technical Institute Students – Page 2

*Dual credit enrollments grew 96% at the technical institutes from Fall 2014 to Fall 2015*

##### Question 2: State Investment in Full-Time Equivalents (FTE) – Pages 3 & 4

*Total appropriation for each of the last three fiscal years broken down by actual dollars distributed, estimates for FY17 dollars to be distributed, and the state's investment per FTE each year*

##### Question 3: State Tuition and Fees – Page 5

*Charges to students for state tuition and fees since FY09*

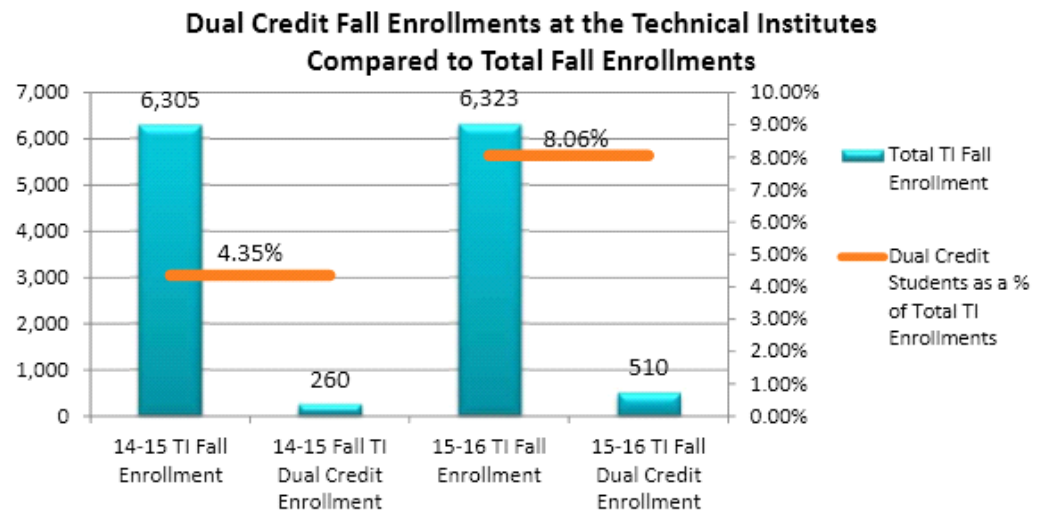
##### Question 4: Major Program Changes - Page 6

*Listing of diploma and degree programs which have been downsized or eliminated in the last three academic years due to labor market shifts, enrollments, or other constraints*

##### Question 5: 2-Year Public College Funding Models – Page 7

*Report from a Nevada legislative committee released in January 2014 outlining revenue sources for public 2-year colleges across the country. Pages 2-3 and 9-12 outline funding sources.*

### Question 1: Dual Credit Technical Institute Students



**NOTE:** Dual Credit enrollments may reflect students taking dual credit courses outside of the South Dakota reduced tuition dual credit program (ex. concurrently enrolled or out-of-state students).

## Question 2: State Investment in Full-Time Equivalents

Distribution of state aid to the technical institutes is detailed in **SD Administrative Rule 24:10:42:28**. Key points to note:

- 25% of the total amount distributed is for baseline operations at each technical institute
- The remaining 75% distributed is based on the cost of programs, by weighted program factors:
  - High cost, low density programs (Factor = 5)
  - High cost programs (Factor = 3)
  - Standard cost programs (Factor = 1)
- The total state aid in any given fiscal year is divided into **four equal, quarterly payments**
- Payments are based on **FTE from the prior fiscal year**. FTE is calculated by the tuition collected from each technical institute in the prior year.

Actual State Aid Payment				
	LATI	MTI	STI	WDT
FY14	\$ 4,992,676.00	\$ 3,864,779.00	\$ 6,941,619.00	\$ 3,522,916.00
FY15	\$ 5,457,415.00	\$ 4,286,637.00	\$ 6,738,216.00	\$ 3,592,975.00
FY16	\$ 5,779,709.00	\$ 4,192,679.00	\$ 6,506,311.00	\$ 3,107,615.00
est. FY17	\$ 6,076,782.00	\$ 4,408,180.00	\$ 6,840,732.00	\$ 3,267,345.00

### NOTES:

- Actual funds distributed for State Aid do not include any annual state bond lease payments, one-time bond buy-downs, or equipment grants.
- FY16 Total Appropriation includes the amendment proposed to the 2016 Legislature.
- FY17 numbers are estimates.

Tuition buy-down funds are distributed each semester after the 10-day drop/add deadline by the credits enrolled.

Actual Tuition Buy-Down Funds Distributed				
	LATI	MTI	STI	WDT
FY14				
FY15	\$ 273,907.45	\$ 187,734.29	\$ 326,462.66	\$ 127,815.59
FY16	\$ 301,484.53	\$ 185,316.06	\$ 298,356.12	\$ 130,763.29
est. FY17	\$ 602,962.50	\$ 370,628.10	\$ 596,705.70	\$ 261,524.00

### NOTES:

- FY15 and FY16 tuition buy down funds saved students approximately \$5 per credit.
- FY17 numbers are estimates based on the percent of credits enrolled at each institution in FY16. If approved as proposed, the FY17 tuition buy down funds will save students a total of approximately \$10 per credit.

### Full-Time Equivalents (FTE) in the Technical Institute System

FTE are calculated by taking the total state tuition collected in the year prior, divided by the product of 30 credits and the tuition rate for the prior year's credits.

An example for FY16:

$$\text{FTE} = \text{FY15 Tuition Collected } \$17,996,029 / (30 \text{ credits} * \$104 \text{ tuition per credit})$$

Full-Time Equivalents for Funding Distribution				
	FTE for FY14 Funding Distribution (from tuition collected in 2012-13)	FTE for FY15 Funding Distribution (from tuition collected in 2013-14)	FTE for FY16 Funding Distribution (from tuition collected in 2014-15)	Est. FTE for FY17 Funding Distribution (from tuition collected in 2015-16)
LATI	1,594	1,659	1,754	1,800
MTI	1,111	1,228	1,203	1,150
STI	2,343	2,197	2,047	2,030
WDT	963	946	764	925
TOTAL FTE	6,011	6,030	5,768	5,905

State Investment by FTE							
		LATI		MTI		STI	WDT
FY14	\$	3,132.19	\$	3,478.90	\$	2,962.79	\$ 3,656.60
FY15	\$	3,455.56	\$	3,642.71	\$	3,215.32	\$ 3,932.68
FY16	\$	3,466.39	\$	3,639.75	\$	3,323.91	\$ 4,240.88
est. FY17	\$	3,710.97	\$	4,155.49	\$	3,663.76	\$ 3,814.99

### Question 3: State Tuition and Fees

The state fees and tuition outlined below have been charged to students on a per credit basis since fiscal year 2009. FY17 numbers are based the budget proposal.

	FY09	FY10	FY11	FY12	FY13	FY14	FY15 */**	FY16 */**	FY17 */**
Tuition	\$ 78.00	\$ 84.00	\$ 90.00	\$ 95.00	\$ 99.00	\$ 104.00	\$ 109.00	\$ 114.00	\$119.00
Tuition Buy-Down							\$ (5.00)	\$ (5.00)	\$ (10.00)
Facility Fee	\$ 12.00	\$ 14.00	\$ 15.00	\$ 19.00	\$ 22.00	\$ 25.00	\$ 28.00	\$ 30.00	\$ 35.00
Maintenance & Repair Fee	\$ -	\$ -	\$ 2.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 4.00	\$ 5.00	\$ 5.00
Program Development Fee	\$ -	\$ -	\$ 1.00	\$ -	\$ 1.00	\$ -	\$ -	\$ -	
Technology Fee	\$ -	\$ -	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>TOTAL Assessed to Students per Credit</b>	<b>\$ 90.00</b>	<b>\$ 98.00</b>	<b>\$ 109.00</b>	<b>\$ 118.00</b>	<b>\$ 126.00</b>	<b>\$ 133.00</b>	<b>\$ 137.00</b>	<b>\$ 145.00</b>	<b>\$ 150.00</b>

\*Maintenance & Repair Fees are collected locally. Proposed M&R expenses are approved by the Department of Education.

\*\*Technology Fees per credit hour are collected locally for the purpose of the technical institutes' postsecondary & dual credit coordinators.

### Uses of State Tuition and Fees

<b>Tuition:</b>	Tuition dollars are used for all aspects of education and operations at the technical institutes, from faculty to classroom materials to utilities.
<b>Facility Fees:</b>	Facility fees are used for the technical institutes' lease payments on facilities constructed through bond proceeds. The technical institute payment covers 2/3 of the annual payment. The State of South Dakota contributes the remaining 1/3.
<b>Maintenance &amp; Repair Fee:</b>	Maintenance and repair dollars fund upkeep of land and facilities on the technical institute campuses. Parking lots, heating systems, flooring, and lights are examples.
<b>Technology Fee:</b>	Technology fees are used to support staff and activities that assist high school students in transitioning to the postsecondary level and help them achieve success in their educational endeavors.

#### Question 4: Major Program Changes

The following diploma and degree programs have been downsized or eliminated at the technical institutes in academic years 2013-14, 2014-15, or 2015-16 due to changes in labor market demands, enrollment, or other constraints.

Technical Institute	Program Name/Option	Action
LATI	Agriculture AAS	Capping enrollment
LATI	Building Trades	Downsized by one instructor*
LATI	Computer Information Systems	Downsized by one instructor*
LATI	Energy	Downsized by one instructor*
LATI	Entrepreneurship AAS/Diploma	Merged managerially with the Business Associate AAS program to share applicable courses
LATI	Environmental Technology option (within Agriculture program)	Eliminating due to low enrollment
LATI	Hospitality & Tourism and Fashion Merchandising options in the Business Associate AAS program	Phased out; specialty courses taught by adjuncts in the interim
LATI	Medical Assisting Diploma	Phasing out
LATI	Surveying & Mechanical CAD AAS	Eliminated
MTI	Agricultural Chemical Technician Diploma	Eliminated
MTI	Dietary Management Certificate	Eliminated
MTI	Industrial Controls Certificate	Eliminated
WDT	CAD Diploma	Eliminated Diploma; AAS program still offered
WDT	Collision Repair AAS/Diploma	Eliminated
WDT	HVAC Diploma	Eliminated Diploma; AAS program still offered
WDT	Paralegal/Legal Assistant AAS	Eliminated

**NOTES:**

- *\*Instructor positions may be filled for 2016-17 if warranted by Build Dakota Scholarship enrollments.*
- *STI made major program changes in 2011-12 and has not eliminated additional programs since that time.*

### **Question 5: 2-Year Public College Funding Models**

The Nevada legislature released a report in January 2014 outlining the governance and funding structures of 2-year public colleges across the country. Pages 2-3 and 9-12 of the report share information on the funding structures and revenue sources for community colleges by state.

The report is located at

<http://www.leg.state.nv.us/interim/77th2013/Committee/Studies/CommColleges/Other/28-January-2014/AgendaItemVI,NationalCenterforHigherEducationMcGuinness.pdf>

The report reflects 2011-12 data from the Integrated Postsecondary Education Data System (IPEDS). When reviewing the report, it was noted that South Dakota's state appropriation did not match the actual funds distributed to the technical institutes. It was found that the data represented in the report was pulled from specific fields within IPEDS. Based on guidance from IPEDS, not all of the technical institutes reported the state appropriation in the same field in the data system. This issue applies to other states as well. While the numbers from IPEDS are not an exact match to funds received, the value of the report is in showing which states rely on state and student funds versus those that also incorporate local revenue sources.